Cassels

Budget 2022 – AML/ATF Regulatory Measures

April 8, 2022

On April 7, 2022, the Government of Canada tabled Budget 2022. The following is a summary of key anti-money laundering and anti-terrorist financing related measures.

All Mortgage Lenders to Become Subject to AML/ATF Requirements

All mortgage lending businesses will become subject to the anti-money laundering (AML) and anti-terrorist financing (ATF) requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (*PCMLTFA). Budget 2022 acknowledges the growth over the last few years in mortgages issued by lenders that are not regulated under the PCMLTFA. Currently, these AML/ATF requirements apply only to prescribed entities under the PCMLTFA, such as banks.

To prevent financial crimes in the real estate sector, the federal government has announced its intention to extend the PCMLTFA requirements to ***all*** businesses conducting mortgage lending in Canada within the next year.

New AML/ATF Regulations for PSPs and Crowdfunding Platforms

New regulations under the PCMLTFA are being developed to extend AML/ATF obligations to payment service providers and crowdfunding platforms to, among other things, require these businesses to monitor and report all instances of suspicious activity that may involve attempted money laundering or terrorist financing.

New Financial Crimes Enforcement Agency

Budget 2022 announces the government's intention to establish a new Canada Financial Crimes Agency, which will become Canada's lead enforcement agency in addressing and responding to financial crime. Further details will be announced in the 2022 fall economic and fiscal update.

Beneficial Ownership Registry

The government is accelerating by two years its commitment to amend the *Canada Business Corporations Act to* implement a public and searchable beneficial ownership registry, which will be accessible before the end of 2023. The registry will cover corporations governed under this Act and will be scalable to allow access to the beneficial ownership data held by provinces and territories that agree to participate in a national registry. Legislative proposals will be forthcoming as part of the *Budget Implementation Act*.

This publication is a general summary of the law. It does not replace legal advice tailored to your specific circumstances.